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hold items;

accessing a second computer coupled to the network, the second computer having an item of interest, said item of interest being other than an executable application; dragging and dropping the item of interest into the storage area; and assigning at least one of a plurality of security levels at any granularity to the item of interest.

REMARKS

This response supplements the reply filed on February 26, 2003 with the Request for Continued Examination under 37 C.F.R. §1.114. Applicants have discussed with Examiner Darrow the reasons for rejection and the art cited in a previous office communication. This response is believed to address all issues and place the application in a condition for allowance.

Formal Drawings

Applicants hereby provide a copy of formal rendition of Figs. 4-7 by fax. Upon request, Applicants will provide a PDF version of these drawings by e-mail to Examiner Darrow. Applicants respectfully request Examiner Darrow to review and enter them.

Interview with Examiner Darrow

Applicants thank Examiner Darrow for the courtesies shown during telephone discussions in March 2003. No agreement was reached.

Claim Amendment without Prejudice and New Claim

Claims 1-2 are amended without prejudice and one new independent claim 3 is added. This new claim contains all the features as have been determined to be patentable in view of prior discussions.

Broader canceled claims are amended without prejudice and Applicants intend to prosecute them in a continuation application. The total number of independent claims is increased by one, but the total remains 3. Because the total number of claims is 3, for which a fee is already paid, Applicants believe that no fee is due with this amendment.

No new matter is added as a result of these changes. Examiner is respectfully requested to review and enter the changes.

Independent Claims with the recitation "said item of interest not being an executable application"

Applicants present these revised claims in order to facilitate an allowance of at least some claims, but reserve the right to claim and argue for broader claims in a continuation application. In particular, Applicants believe that claims directed to assigning a security level to each information object—irrespective of who makes such assignment, whether the first party, the second party or a third party or any combination of two or more of these parties—is still patentable over the cited art.

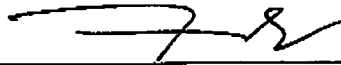
Applicants contend that neither Ho nor Bowman-Amuah, describes the step of "assigning at least one of a plurality of security levels at any granularity to each information object". Applicants, therefore, intend to file a continuation application directed to the broader claims of now amended claims 1 and 2. Therefore, the present amendment should not be considered a concession of or waiver of any rights due to Applicant. See *Festo Corp. v. Shoketsu Kinzoku Kogyo Kaushiki Co.*, 122 S. Ct. 1831, 1840 (2002).

Applicants intend to prosecute other features that are disclosed in this application, which features were not claimed in this for reasons that they could be restricted. For example, applicants intend to prosecute the claims directed toward the licensing method described herein, toward the usage of the personal library by a party other than the first party, and toward other features such as collaborative editing of documents, including selective disclosure of margin notes as described in the disclosure.

Conclusion

In view of the foregoing amendments and remarks, the present set of claims is believed to be in a condition for allowance. Applicants request an early notice of allowance.

Respectfully Submitted,



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Certificate of Faxing

I certify that this paper is faxed on April 10, 2003 to (703) 746-7238.



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